

## Capital Budget

**STRATEGIC MANAGEMENT PLAN.** Each year County departments and agencies review and revise the Strategic Management Plans that inspire their annual goals, objectives, and work program initiatives for the coming year. Most of the budget impacts of an adopted Strategic Management Plan are in the operating budget, but a few items may end up in the CIP.

**PROJECT COSTS.** The projected costs of each capital project are sometimes the result of detailed engineering studies, and are sometimes simply educated guesses. The project costs to be funded in the CIP should include all costs relating to design, acquisition, construction, project management, equipment, legal expenses, mitigation of damages, title costs and other land related costs, etc., when such information is available. Each year the CIP may be adjusted as the complete project costs become more firmly known.

**FUNDING DECISIONS.** Funding recommendations by staff to the Board are made based on a variety of information. The total amount of money available, the level of developer contributions or other private funding sources, the availability of grants or Federal and State funds, and the availability of previously appropriated, and unobligated funds are all factors that are considered in recommending a funding level. Consistency with either the Strategic Management and Comprehensive Plans, as well as the Planning Commission's priorities, are also considered in the funding recommendation.

Debt financing is an option that the Board of Supervisors may also consider as a financing option. There are essentially only two options for debt financing. The first is some form of owner financing or lease purchase, an installment sale or any other financing instrument that must be reviewed and funds appropriated each year. The second type of debt financing is known as general obligation financing, where future Boards of Supervisors are required to set the tax rates at a level to pay off the debt. Except for specific exceptions, such as schools, general obligation debt can only be issued after a successful voter referendum authorizes the borrowing.

For each project shown, the funding proposed in the five-year CIP in the previous year and the total agency or departmental request are both shown, for comparative purposes.

**LEAD AGENCY.** For each capital project, a lead agency is identified. This is the department or agency responsible for implementing the identified project. In most cases it is also the department or agency responsible for initiating the capital project budget request, preparing the description and initial justification and the source of additional information.

**SEPARATE CAPITAL IMPROVEMENT PROGRAMS.** Some agencies and/or regional organizations adopt their own Capital Improvement Programs. These include the Virginia Peninsula Regional Jail, the Middle Peninsula Juvenile Detention Commission, the Community Action Agency, the Group Home Commission, and the James City Service Authority. The County's CIP includes items for regional groups, such as the Williamsburg Regional Library or the Williamsburg-James City County Public Schools, where the County is the major funding source. Both the Library and the Schools might have separately funded capital programs, using surplus and/or grant funds, for specific projects and/or major equipment. Replacement school buses are funded out of the school operating budget because of provisions in the City/County School contract. Those buses would normally be defined as CIP items.

**SUMMARY.** The Capital Improvement Program represents the mutual efforts of County departments and agencies to meet the infrastructure needs of County residents, businesses and visitors. It usually cannot fully fund all the capital budget requests and the projects are closely scrutinized and prioritized to provide for the maximum benefit. Citizen input, the County's adopted Comprehensive and Strategic Management Plans, the recommendations of the County's Planning Commission and the total funding available all play a role in allocating limited resources.